



Ninety-Ninth Legislature - First Session - 2005
Committee Statement
LB 118

Hearing Date: January 18, 2005

Committee On: Banking, Commerce and Insurance

Introducer(s): (Cunningham, Baker, Combs, Connealy, Heidemann, Kremer, Smith)

Title: Change provisions regulating equipment business

Roll Call Vote – Final Committee Action:

- X Advanced to General File
 Advanced to General File with Amendments
 Indefinitely Postponed
-

Vote Results:

7	Yes	Senators Mines, Redfield, Flood, Jensen, Langemeier, Loudon, Pahls
	No	
	Present, not voting	
1	Absent	Senator Johnson

Proponents:

Senator Doug Cunningham
Mike Cain
Janet Eggers
Bruce Keim
Korby Gilbertson
Larry Dinkel
Andrew Goodman

Representing:

Introducer
Hesse's Inc.
Geneva Implement Co.
Keim Farm EQ
Assn. of Equipment Manufacturers
Dinkel Implement Co.
Iowa Nebraska Equipment Dealers Assn.

Opponents:

Representing:

Neutral:

Representing:

Summary of purpose and/or changes:

LB 118 (Cunningham, Baker, Combs, Connealy, Heidemann, Kremer, Smith) would amend section 87-705 of the Equipment Business Regulation Act to provide requirements relating to approval of sales and transfers of agricultural and industrial equipment dealerships.

The bill would provide that if a supplier (defined in the Act as the manufacturer, wholesaler, or distributor of the equipment) has contractual authority to approve or deny a

request for a sale or transfer of a dealership or an equity ownership interest in a dealership, the supplier shall approve or deny such a request within sixty days after receiving a written request from the dealer, and that if the supplier does not do so within the sixty days, the request is deemed approved. The request would be required to include financial and personal background information, character references, and work histories for each acquiring person. If a supplier would deny a request for sale or transfer, the supplier would be required to provide the dealer with a written notice of denial that states the reasons for denial. The bill would provide that a supplier may only deny a request based on the failure of the proposed acquiring persons to meet the reasonable requirements consistently imposed by the supplier in determining approval of such transfers and approvals of new dealers.

Explanation of amendments, if any:

Senator Mick Mines, Chairperson